

To the Members of the California State Assembly:

I am signing Assembly Bill 1723 to modernize California's laws governing interest on lawyer trust accounts (IOLTA).

When the IOLTA concept was introduced 25 years ago, interest-bearing checking accounts were the only instruments available that were deemed appropriate for holding IOLTA funds. In the ensuing decades, banks have introduced new products that offer much higher interest rates while at the same time providing equivalent levels of safety and liquidity to the customer.

This bill also provides increased funding opportunities for legal aid programs. Expanding the reach of legal services for the poor will not only benefit those who are able to obtain legal assistance, but will also benefit the courts by alleviating some of the burdens imposed by litigants who are currently forced to represent themselves.

For these reasons, I am signing this bill.

Sincerely,

Arnold Schwarzenegger